

**Home Equity Reverse Mortgage Information
Technology
(HERMIT)**

**HERMIT System Changes – Release 3.8
Part 1**

Release Date: 08/02/2014

HERMIT SYSTEM CHANGES – RELEASE 3.8 – Part 1

1. INTRODUCTION

The HECM SP has released version 3.8 of the HERMIT software which consists of Non-Borrowing Spouse (NBS) system changes per ML 2014-07. If you have any questions regarding the functionality of the software release, please contact the HERMIT Help Desk at 561-899-2610 or at support@hecmsp.com. If you have any policy related questions, please send an email to HUD at answers@hud.gov.

1.1 HERMIT SYSTEM CHANGES – Non Borrowing Spouse (ML 2014-07)

1.1.1 *Display of Non-Borrowing Spouse Indicator*

The HERMIT system will display Non-Borrowing Spouse indicator in the Loan Search screen. Upon selecting the indicator and clicking the search button, loans with Non-Borrowing spouses are displayed in the search results.

The screenshot shows the 'Loan Search' interface in the HERMIT system. At the top, there is a navigation bar with tabs: Home, Loan (selected), Endorsed, Accounting, Batch, Reports, and Logout. Below the navigation bar, the 'Loan Search' section contains several input fields and dropdown menus arranged in a grid. The fields include: Loan Key, Lender Loan #, FHA Case #, Case Status (dropdown), Case Sub-Status (dropdown), Borrower LName, Index Type (dropdown), Property Address, Property State (dropdown), Property County (dropdown), Lender Name (dropdown), Servicer Name (dropdown), Investor Name (dropdown), Product Type (dropdown), and Pay Plan Type (dropdown). At the bottom left of the form, there is a checkbox labeled 'Non-Borr. Spouse:' which is currently unchecked and highlighted with a red rectangular box. At the bottom right, there are two buttons: 'CLEAR' and 'SEARCH', both with a red circular icon to their left.

Figure 1: Loan Search Results displaying Non-Borr. Spouse indicator

1.1.2 *Calculation of Principal Limit Factor for Non-Borrowing Spouse*

The HERMIT system will use the new PLF table to determine the OPL on the loan for cases with a case assignment date \geq 8/4/2014. The new PLF table can be found at the location below:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/hecmhomelenders

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1.1.3 Loans in Deferred Status

If the last surviving borrower on the loan is deceased and the NBS is active, the HERMIT system will display the case as Deferred status with a Yes. If the Deferred status is “Yes”, the sub status of the loan is Payment Suspended.

The screenshot shows the 'Loan Search Results' table with the following columns: Address, Property, State, Property County, Lender Name, Servicer Name, Investor Name, Product Type, Pay Plan Type, and Deferred. The 'Deferred' column is highlighted with a red box. The table contains several rows of loan data, with the 'Deferred' status being 'Yes' for some entries and 'No' for others.

Address	Property	State	Property County	Lender Name	Servicer Name	Investor Name	Product Type	Pay Plan Type	Deferred
							HECM for Purchase	Line of Credit	No
							HECM - Refinance	Line of Credit	Yes
							HECM	Modified Term	No
							HECM	Modified Tenure	No
							HECM	Line of Credit	No
							HECM for Purchase		No
							HECM	Tenure	No
							HECM		No
							HECM		No
							HECM	Term	Yes

Figure 2: Deferred Status displayed in Loan Search Results

1.1.4 Display of NBS indicator in the Loan Header Information

The HERMIT system now displays the Non-Borrowing Spouse indicator in the Loan Header Information. The values populated for the NBS may be “Yes” or “No”.

- If the Non-Borrowing Spouse is not available on the loan, NBS = No
- If the Non-Borrowing Spouse are deceased or deactivated, NBS = No
- If the Non-Borrowing Spouse are active on the loan, NBS = Yes

The screenshot shows the 'Loan Header Information' screen with four sections: Loan Information, Borrower Information, Servicer Information, and Balance Information. The 'NBS: Yes' field in the Borrower Information section is highlighted with a red box.

Loan Information	Borrower Information	Servicer Information	Balance Information
FHA Case #: Loan Key: Case Status: Endorsed Case Sub-Status: Payment Suspended Product Type: HECM Go to Loan Search	Borrower: SSN: DOB: Address: Co-Borrower: NBS: Yes	Lender Loan #: Servicer #: Lender Name: Servicer Name: Investor Name:	Pay Plan Type: Term Loan Balance: \$43,946.63 Max Claim: \$110,000.00 % of Max Claim: 39.951 % NPL: \$4,627.96 Print Loan Details

Figure 3: Non-Borrowing Spouse Indicator Displayed in Loan Header Information

1.1.5 Display of Non-Borrowing Spouse in Contacts Screen

The HERMIT system will display the NBS data in the Loan->Contacts screen similar to the Borrower/Co-Borrower contact types.

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The screenshot displays the HERMIT system interface. On the left is a vertical navigation menu with options: Loan Balance, Loan Details, Transactions, **Contacts**, Property, Documents, Notes, Audit Tracking, Alerts, Change Of Plan, Payoff, Servicer Info, Servicer Request, and Bank Account. The main content area is divided into several sections:

- Loan Information:** FHA Case #, Loan Skey, Case Status (Endorsed), Case Sub-Status (Loan Active), Product Type (HECM), and a [Go to Loan Search](#) link.
- Borrower Information:** Borrower, SSN, DOB, Address, Co-Borrower, and NBS (Yes).
- Servicer Information:** Lender Loan #, Servicer #, Lender Name, Servicer Name, and Investor Name.
- Balance Information:** Pay Plan Type (Tenure), Loan Balance (\$68,187.75), Max Claim (\$140,000.00), % of Max Claim (48.705 %), and NPL (\$28,709.09). A [Print Loan Details](#) link is present.
- Contact Information:** A section with a **NEW** button and a [Death Interactive Search](#) link. Below is a table with columns: Contact Type, Last Name, First Name, DOB, Address, City, State, Zip, Create Date, Created By, and Change Date. The table lists two entries: 'Borrower' and 'Non-Borrowing Spouse'.

Figure 4: Non-Borrowing Spouse Information in Contacts Screen

1.1.6 *Disable/Deactivate Non-Borrowing Spouse*

The HERMIT system will allow user to deactivate the NBS on the loan. To deactivate the NBS, see the steps below:-

- Select the icon beside the Non-Borrowing Spouse contact type in the Contacts screen
- Select the Deactive box in the Contact Info screen. Click Submit.

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The screenshot shows a web form titled "Contact Info" with a close button (X) in the top right corner. The form is for a "Non-Borrowing Spouse".

Contact Name & Address

First Name: [text box] Mid: [text box] Last: [text box]
Address 1: [text box]
Address 2: [text box]
City: [text box] State: [dropdown] Zip: [text box]
Birth Date: [text box] Age: [text box]

Other Information

Marital: [dropdown] Email: [text box] Home #: [text box]
Gender: [dropdown] Emergency Contact: ☐ Work #: [text box]
Language: English [dropdown] Authorized Contact: ☐ Cell #: [text box]
Death Date: [text box] **Deactive: ☐** Fax #: [text box]

Contact Mailing Info

[Red button: SAME AS CONTACT ADDRESS]

First Name: [text box] Mid: [text box] Last: [text box]
Address 1: [text box]
Address 2: [text box]
City: [text box] State: [dropdown] Zip: [text box]

Audit Information

Create Date: [text box] Created By: [text box]
Change Date: [text box] Changed By: [text box]

[Red button: SUBMIT] [Red button: CANCEL]

Figure 5: Deactivating a Non-Borrowing Spouse

1.1.7 Due & Payable Rules with Active Non-Borrowing Spouse on the loan

- The HERMIT system will NOT allow Mortgagee to initiate Due & Payable with HUD Approval or Due & Payable w/o HUD Approval timelines manually, if the NBS is available and active on the loan, even though the last surviving borrower is deceased.
- The HERMIT system will not automatically update the loan sub status to Due & Payable, if the NBS is active on the loan and the last surviving borrower is deceased.
- The HERMIT system will automatically update the loan sub status to Due & Payable, if all the NBS are deactivated and the last surviving borrower is deceased.
- The HERMIT system will populate the Due & Payable date on Block 29 of the HUD Form 27011 with the date the deferral period ends on the loan.